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Course Package “Programme Budgeting”

Work Package	WP3: Development of Course Materials for the Reformed MA Programmes, Deliverable 3.1
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Document History

Version	Date	Author(s)	Description
1.	24.08.2012	Hrachya Zakoyan	Development of course materials
2.	25.06.2015	Hrachya Zakoyan	Improvement of course materials
3.	23.06.2017	Hrachya Zakoyan	Updating of course materials
4.	28.01 - 08.02.2019	Hrachya Zakoyan	Final updating of course materials
5.	30.05.2019	Hrachya Zakoyan	Improvement of course materials taking into account comments of KDU
6.	28.06.2019	Hrachya Zakoyan	Improvement of course materials, final version

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1. General information about the course

Explanation: Please fill in the table below.

Title of the course (as specified in the reformed curriculum)	Programme Budgeting
Name of the teacher	Hrachya Zakoyan
Novelty of the course (please select as appropriate)	
Year of the course in the curriculum	Up to now Year II, but from September 2019 will be taught during the Year 1
Semester of the course in the curriculum	2-nd semester
Language of instruction of the course	Armenian
Number of ECTS credits	3

2. Learning outcomes of the course

Explanation: Please specify the learning outcomes of the course.

At the end of the course the student:

Will know:

Knowledge

Main methods of budgeting, peculiarities of programme budgeting and process of applying it in the budgetary system of the RA

Will be able to:

Competence

To study development programs based on which budgets are elaborating and evaluate their compliance with the program budgeting standards, as well as make recommendations for improving these programs and bringing them closer to program budgeting requirements.

Will possess:

Skill

Approaches used during the budget's planning in the budget system of RA and the general content of Medium - Term Public Expenditure Framework, based on which state budget is being elaborated.

3. Syllabus of the course

Explanation: Please provide a detailed syllabus of the course (broken down in weeks) – maximum 2 pages

Brief summary of course contents:

Main methods of budgeting, the concept and peculiarities of Programme Budgeting, expediency and opportunities of applying it into different levels of budget system of RA and the works done and the works to be done towards applying Programme Budgeting in the budgetary system of the RA.

Acquaintance with the approaches being applied in RA during the budget planning with general content of Medium-Term Expenditure Frameworks, based on which state budget are elaborated.

Subject title	Total classroom hours	1-st year, 2-nd semester - 14 weeks			
		Weekly hours	Amount of credits	Lecture	Assessment
Programme Budgeting	28	2	3	28	Exam

Week	Topics	Hour
1	The Concept of "Budgetary Process" and its stages	2
2	The Concept of Programme Budgeting	2
3	Programme Structure Analysis	4
4	Programme Budgeting Experience in Armenia	4
5	International Experience in Programme Budgeting	2
6	Policy and Budget Programme	2
7	Budget Performance Analysis	4
8	Fiscal Policy of the Medium - term Public Expenditure Framework of RA	2
9	Strategy of Expenditures Policy of the Medium - term Public Expenditure Framework of RA	2
10	Social - Economic Development Programs in Communities	2
11	Program budgeting prospects in RA	2
Total		28

Topic 1. The Concept of "Budgetary Process" and its stages

Week1

- The concept of budgeting process and its stages,
- Role of budget planning in the budgeting process,
- Interactions between the different stages of budgeting process.

Topic 2. The Concept of Programme Budgeting

Week 2

- Concept of Programme or Result-based Budgeting,
- Targeted funding,
- Principles of PB,
- The Toolkit of PB,
- Input budgeting table as a format for PB.

Topic 3. Programme Structure Analysis

Week 3

- Programme Objective,
- Body responsible for the programme,
- The programme structure and sub-programmes.

Week4

- The Structure of Programme Passport,
- Key Performance Indicators of Programmes.

Topic 4. Programme Budgeting Experience in Armenia

Week 5

- Initial Piloting, 2003 - 2005,
- Development of a methodology, piloting and elaboration of the methodology, 2005-2008,
- Specification of methodology and its adjustment to the Armenian system, synchronization of budget systems and introduction of independent programme classification.

Week 6

- Current phase: mandatory application of programme budgeting (along with the currently operating systems),
- Upcoming phase: full-fledged replacement of the current (input based) budgeting with programme budgeting.

Topic 5. International Experience of Programme Budgeting

Week 7

- Overview of International Experience in Programme Budgeting,
- Experience of using PB in the USA, New Zealand and Australia,
- Experience of using PB in post-Soviet countries.

Topic 6. Policy and Budget Programme

Week 8

- Pre-election Programmes as a Source of Programme Budgeting,
- Policy Cycle and Budget Programme Components,
- Program of the RA Government,
- Main Priorities of Government Activities.

Topic 7. Budget Performance Analysis

Week 9

- Types of Programme Budgeting Analysis.
- Analysis of Policy-Budget Links,
- Programme Structure Analysis.

Week 10

- Comprehensiveness and Transparency Analysis,
- Budget Execution Analysis,
- Benefits and Costs Analysis.

Topic 8. Fiscal Policy of the Medium - term Public Expenditure Framework of RA

Week 11

- Policy of prediction of state budget revenue,
- Fiscal Policy set in MTEF,
- Principles and indicators of fiscal policy.

Topic 9. Strategy of Expenditures Policy of the Medium - term Public Expenditure Framework of RA

Week 12

- Expenditures priorities of state budget ,
- Factors influencing in expenditure levels,
- Programmes implemented by external financing.

Topic 10. Social - Economic Development Programs in Communities

Week 13

- Programmes of Communities development as a basis for local budget development,
- Preconditions for adopting of Programme - Result-based budgeting in Armenian communities,
- Results expected to achieve by applying Programme budgeting in Armenian communities.

Topic 11. Program budgeting prospects in RA

Week 14

- Steps towards adoption of Programme budgeting,
- Programmes developed in accordance with programme budgeting format as a precondition for adoption of programme budgeting.

4. Teaching methodology of the course

Explanation: Please explain the teaching methodology and pedagogical approaches of the course – maximum ½ page

The main teaching methodologies used for the Programme Budgeting course are a judicious blend of lectures, individual assignment, case discussions and individual or group presentations by using modern teaching aids such as projectors and computers.

Lectures are very practice oriented. The lectures will focus on the major points introduced in the syllabus. The classes will provide general background information on the topics, prior each class the students are expected to read the relevant materials.

The teaching and instructional methods encourage self-learning and learning through active student interaction.

Individual assignment requires conduction of small scale investigations, which promotes development of research and analytical skills of students. Usually individual assignment is a comparison of existing budgeting practices in the communities with the requirement of Program Budgeting and recommendations on their improvements. Students are encouraged to use different scientific and practical researches.

As an individual work students also should study the provided teaching material, the PP slides, the references, the recommended literatures, as well as development programmers of their communities and state. This allow student to participate in interactive discussions during the lectures.

Students are learning in the environment of constructive dialog and respect of different point of view and are encouraged to ask questions and actively participate in class discussions.

5. Labour market relevance of the course

Explanation: Please explain the labour market relevance of the course (linked to findings of WP1) – maximum ½ page

The labour market survey conducted in the frame of REFINE Project revealed that improvement of public finance management and analytical skills of the MA students is one of the very essential demands of the labour market.

Improving the ability of budgeting is one of the priorities for employers, which will allow to:

- To replace the current (input based) budgeting practice with programme budgeting,
- To overcome shortage of PB specialist in national level,
- To fill out serious lack of PB specialist in local level.

Demand of the specialists with programme budgeting skills is increasing day by day in Armenia.

6. Assessment and grading

Explanation: Please explain the form of assessment of the course – maximum ½ page

Form of assessment for course is the following:

- Max 10 points for attendance,
- Max 50 points for current activity in class, and
- Max 40 points for final exam (40% of which or minimum 16 points required to pass).

Details on assessment are presented in the table below.

Range of Ratings Points	Appointment	Grade	Point
Excellent /81-100/	A+	4,0	95 - 100
	A	4,0	87 - 94
	A-	3,7	81 - 86
Good /61-80/	B+	3,3	75 – 80
	B	3,0	67 – 74
	B-	2,7	61 - 66
Satisfactory /40-60/	C+	2,3	55 – 60
	C	2,0	46 – 54
	C-	1,7	40 - 45
Unsatisfactory /up to 40/	D	1,0	<40

7. References

Explanation: Please provide the main references and recommended reading for the course – maximum 1 page

1. “Programme Budgeting Reforms in Armenia: analytic toolkit”, Yerevan 2015;
2. “Program Budgeting and Accounting Manual” (PBAM), produced by the Finance Department Office of Finance and Administration Services Oregon Department of Education, 2017;
3. 2019 – 2021 Medium-term Public Expenditures Framework;
4. Armenia Development Strategy for 2014-2025;
5. Local Government Budgeting In Armenia, Manual, 2005;
6. Marc Robinson and Duncan Last, “A Basic Model of Performance-Based Budgeting”, International Monetary Fund, 2009;
7. Robinson. M. “Performance Budgeting: Linking Funding and Results”, United Kingdom, 2007;
8. Schick, A., “Performance Budgeting and Accrual Budgeting: Decision Rules or Analytic Tools”, Oecd Journal on Budgeting, 7(2), 2007,
9. Programme Budgeting – Testing the Approach in Scotland, Published by the Scottish Government, 2012,
10. Donald Moynihan and Ivor Beazley, “Toward Next-Generation Performance Budgeting Lessons from the Experiences of Seven Reforming Countries”, Directions in Development Public Sector Governance – World Bank Group
11. Law on Budget System of Armenia.

Useful Web Pages

1. www.gov.am
2. www.minfin.am
3. www.armstat.am
4. www.mtad.am
5. www.mineconomy.am
6. www.openknowledge.worldbank.org

8. Course assignments

Explanation: Please provide two assignments for the course (e.g. group work, project, essay, case study, homework).

8.1 Assignment 1

Homework:

Study and analysis the development programme of the students own community, which serves as a bases for the processing the draft Local Budget, and it comparison with the requirement of programme budgeting.

After that preparation of brief report is needed through summarising of main impression of the study and provision of recommendations. It is encourages meeting with representatives of local self-governing bodies and discussion the initial version of the report.

8.2 Assignment 2

Homework:

Study and analysis one or two sections of RA Government Programme and/or Medium-Term Public Expenditures Framework, which serves as a bases for the development of the draft State Budget, by comparing it with programme budgeting principles and requirements.

After that preparation of brief report is needed through summarising of main impression of the study. Finally conclusions and recommendations need to be provided.

Annex: Presentation slides

Explanation: Please provide presentation slides for your course (this can be done in a separate document, e.g. Power Point (Minimum: 25 slides)

The slides of "Programme Budgeting" course

Please see attached Power Point presentations